

## LETTERS †

## Concerning Federal Income Tax on Accounts Receivable.

(COPY)

AMERICAN MEDICAL ASSOCIATION  
Bureau of Legal Medicine and Legislation  
J. W. Holloway, Jr., Acting Director  
535 North Dearborn Street, Chicago

March 16, 1942.

*To the Editor:*—In the JOURNAL, January 10, 1942, page 149, reference was made to the fact that under section 42 of the Internal Revenue Code, accounts outstanding on the books of a taxpayer at the time of his death are includible as income for the year of death, even though the taxpayer may have theretofore been on a cash receipts and disbursements basis.

It was pointed out in the JOURNAL, that this method of computing income artificially builds up the income of the taxpayer for the year of death, subjecting it to higher surtax rates and in many instances imposing a considerable hardship on the estate of the taxpayer to raise the necessary funds to pay the tax. Please refer to the statement in the JOURNAL for a detailed discussion of this matter.

On March 3, representatives of the Treasury Department appeared before the House Committee on Ways and Means, which is now holding hearings on the new tax law, and submitted a number of recommendations for changes in the existing law. The Tax Adviser to the Secretary of the Treasury, Randolph Paul, submitted the following Treasury Department recommendation, among others:

"Under present provisions income accrued to the date of a decedent's death must be included in the return for his last income tax period. The 'bunching up' of income that may occur under this provision can work a severe hardship, as the income of the decedent may in effect be artificially raised to a much higher surtax bracket. The Supreme Court has indicated that under this provision a lawyer's share of the fees from cases pending at his death is includible in the income tax return for the year in which his death occurs even though such fees may not be collectible until years later. The same result may follow with respect to the commissions of insurance agents, executors and trustees, and the fees of doctors and other professional men. To avoid this hardship, it is suggested that the present method of treating such income be eliminated in favor of a method that taxes the income to the persons who actually receive it. Thus, the income would be made taxable to the estate or to the heir or legatee as the case may be. It is also suggested that this change be made retroactive to all open years under proper safeguards insuring payment of the tax by the recipients of income in such years."

The House Committee on Ways and Means has as yet taken no action with respect to the foregoing recommendation of the Treasury Department. I send you this information so that you may know that there is in the offing a possibility of relief from the inequities created by the present method of arriving at the income of a taxpayer for the year of death.

Sincerely yours,

J. W. HOLLOWAY, JR.

## Concerning Child Health Day—1942.

(COPY)

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

## A PROCLAMATION

WHEREAS the Congress by joint resolution of May 18, 1928 (45 Stat. 617), has authorized and requested the President of the United States to issue annually a proclamation setting apart May 1 as Child Health Day:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in recognition of the vital importance of the health of children to the strength of the Nation, do hereby designate the first day of May of this year as Child Health Day.

And I call upon the people in each of our communities to contribute to the conservation of child health and the reduction of illness among children by exerting every effort to the end that before May Day, Child Health Day, children over nine months of age be immunized against diphtheria and smallpox, the two diseases for which we have the surest means of prevention.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 6th day of February in the year of our Lord nineteen hundred and forty-two and of the Independence of the United States of American the one hundred and sixty-sixth.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

(SEAL)

## Concerning Invitation from California State Board of Public Health.

(COPY)

State of California  
DEPARTMENT OF PUBLIC HEALTH  
Sacramento  
603 Phelan Building  
San Francisco

March 3, 1942.

George H. Kress, M.D., Secretary-Editor,  
California Medical Association,  
450 Sutter Street,  
San Francisco, California.

Dear Doctor Kress:

The California State Board of Public Health would like to hold its regular monthly meeting at the Del Monte Hotel on Sunday, May 3, 1942, in order that the time and place may coincide with that of the annual meeting of the California Medical Association.

It is recognized that at this particular time there are many problems related to public health and medicine which require the close coöperation of the state organization and the medical profession. The California State Board of Public Health desires to coöperate with the medical profession in all matters that pertain to the health and welfare of the people of California. Doctors of medicine in attendance at the Del Monte meeting of the California Medical Association may wish to bring problems before the Board, of which it is not aware. Members of the Board will be happy to have them do so either individually or in regular session.

If you will publish an announcement of the meeting of the Board in the next issue of the Journal and include

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